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## Virginia Business Higher Education Council: A case study of interest group formation

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**VIRGINIA BUSINESS HIGHER EDUCATION COUNCIL:  
A CASE STUDY OF INTEREST GROUP FORMATION**

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**A Dissertation**

**Presented to**

**The Faculty of the School of Education  
The College of William and Mary in Virginia**

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**In Partial Fulfillment**

**Of the Requirements for the Degree**

**Doctor of Education**

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**by**

**Christiane Groth**

**April, 2003**

**VIRGINIA BUSINESS HIGHER EDUCATION COUNCIL:**

**A CASE STUDY OF INTEREST GROUP FORMATION**

**By**

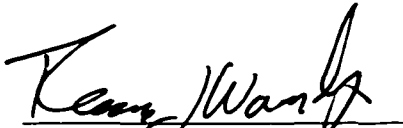
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## **DEDICATION**

**This work is dedicated to my parents,  
Elisabeth and Eckart Groth,  
with deepest gratitude for their boundless support and encouragement.**

## **ACKNOWLEDGEMENTS**

**First and foremost, I would like to thank the participants of this study. Their willingness to participate and their candor during the interviews were essential to the successful completion of this study. Special thanks to Timothy J. Sullivan, President of The College of William & Mary, for all the informal conversations about the Virginia Business Higher Education Council that helped generate the idea for the study in the first place and for his generous support while the study was underway.**

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**VIRGINIA BUSINESS HIGHER EDUCATION COUNCIL:  
A CASE STUDY OF INTEREST GROUP FORMATION**

**ABSTRACT**

**An exploratory case study of the Virginia Business Higher Education Council (VBHEC), a higher education lobbying group of business and education interests, was conducted to gain greater insight to state-level higher education interest group formation. A qualitative method was utilized and interviews with founding members of the VBHEC were carried out to understand why participants felt the need to organize such a group at that particular time as well as why members joined the group and continued their participation. The case study covered the time period from the early 1990s through the Council's incorporation in September of 1996. Findings were compared to prevailing theories of interest group formation: (a) that interest groups form in response to a disturbance in the environment (Truman, 1951); (b) that group members require the receipt of benefits for their participation (Olson, 1965); (c) that group leaders require benefits to sustain their participation (Salisbury, 1969); and (d) that interest group formation requires individuals who share a deep commitment to a particular philosophy or ideology (Moe, 1980; Sabatier, 1992).**

**The findings of the VBHEC case study provide support for the assertion that interest groups form when disturbances in the operating environment occur and that a group's sustainability can be attributed to members' deep commitment to a shared ideology or philosophy. The case study also provided strong evidence of the important role an interest group's leadership plays in sustaining member interest and participation. Participants indicated that the viability of the VBHEC rested primarily in the continued leadership of the group's chair while analysis of the group's formal and informal leadership provided evidence that having politically astute leadership attuned to changes in the political environment also facilitated the group's formation. The case study did not, however, provide evidence to support the assertion that an interest group's leaders required benefits in return for taking on a leadership role.**

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**A CASE STUDY OF INTEREST GROUP FORMATION**

## CHAPTER ONE

### Introduction

*"A power has risen up in the government greater than the people themselves,  
consisting of many and various and powerful interests, ... "*  
*John C. Calhoun (Speech, May 27, 1836)*

This paper describes a research study that examined the formation of the Virginia Business Higher Education Council (VBHEC), a state-level higher education interest group. Given the economic difficulties currently impacting most state budgets, understanding higher education interest group formation is of timely importance. The state-higher education relationship has been transformed as states have faced increasing demands on their coffers, even as their resources have declined. In light of the increased competition for each state dollar, higher education has entered more deeply into the political domain and engaged the policy and budgeting process. One manner in which higher education has engaged lawmakers is through higher education interest groups. A better understanding of how and why such groups form at the state level will provide needed insight for those seeking to maximize higher education's voice in the public policy arena.

In this chapter, background research on interest groups and their impact upon policy-making as well as the general purpose of this research study are detailed. A review of the relationship between higher education, the policy arena and interest groups is contained in Chapter Two. Chapter Three outlines the methods that were undertaken to complete this study and Chapter Four details those findings. Finally, Chapter Five

discusses the findings of the VBHEC case study in the context of interest group theory and provides implications for higher education as well as avenues for further research.

### **Background of the Study**

#### **The Rise of Organized Interests**

Over the past forty years, there has occurred a marked increase in the number of interest groups working to influence the legislative process (Berry, 1997; Loomis and Cigler, 1995; Petracca, 1992; West and Loomis, 1999). Various political, social and economic changes have spurred the growth of interests, including an increasingly diverse and complex government bureaucracy (Berry, 1995; Wright, 1996), the declining power of the traditional political parties, and the increased stature of occupational and professional groups (Loomis and Cigler, 1995).

As social scientists have struggled to explain how and why interest groups form, the political environment has seen an unprecedented growth in the number of interest groups at work (Berry, 1997; Loomis and Cigler, 1995; Petracca, 1992; West and Loomis, 1999). West and Loomis (1999) noted that the past forty years had seen the number of associations quadruple and that public and professional organizations increased in number as well (p. 16). Walker (1983) concluded that the increase in the number and the diversity of interest groups may be attributed to the “composition and accessibility of the [political] system’s major patrons...[and that]...as the American system of political patronage has grown dramatically and become more diversified...so have the number and variety of interest groups” (p. 404). Hrebienar and Scott (1990) found, however, that while the explosion of interest groups served to better represent the

entire spectrum of American society, “group membership in the United States is not equally distributed among the various socioeconomic classes” (p. 29).

The growth in the number of interest groups has been attributed to several factors, including rapid social and economic changes, the spread of affluence and education, enhanced communications technology, and the rise of new interests from the occupational and professional groups (Loomis and Cigler, 1995). Additionally, an increasingly diverse and complex society spurred growth in the functions and bureaucracies of government, causing interests to organize around those new spheres of governmental activity as well (Berry, 1995; Wright, 1996).

Loomis and Cigler (1995) also noted the importance of the decline in the traditional political parties, providing a political environment more hospitable to increased interest group activity. The authors found that with society’s increasing complexity, the tradition-bound political parties were limited in their ability to adapt to the new political environment. This decline in power has accelerated over the last two decades as an increasingly educated electorate seeks information from a variety of sources and becomes “less dependent upon [the major political parties] as an electoral cue” (p. 19).

### **Impact on Policy-making**

While the interest group explosion indicates that a greater variety of interests are being represented, some interests may be in danger of being over-represented. Feuerstein (1998) and Cook (1998) indicated that the variety of educational interests participating in the policy process increased the difficulty in achieving consensus concerning policy goals, since the groups often endorsed conflicting positions. When these groups were able



to reach consensus, the unified position most often represented the lowest common denominator. This proved not helpful to legislators since it added little to their understanding of the issue and the group's position, as a result, was often ignored (Cook, 1998).

The proliferation of interest groups representing an issue combined with the difficulty in achieving a consensus view relegates most interests to limited roles in determining public policy. Peterson and Rabe (1983) found that education interest groups were most effective in supporting and shaping proposed legislation by supplying information and generating favorable publicity rather than serving as change agents. Most groups seldom demonstrate a "penchant for policy innovation and [rarely exert] systematic influence on the process of policymaking" (p. 709).

Another effect of the interest group proliferation is a focus on the near future and political expedience. Tierney (1992) noted that when the political interest spectrum is crowded with many involved voices, narrow interests tend to prevail and the resulting legislation most often benefits narrow constituencies rather than a larger and more representative population. The bailout of the savings and loan industry is cited as an example of a politically expedient move that benefited a narrowly based constituent group in the short term but cost the wider population over the long term (p. 219). Tierney also found that narrow interests limit the government's ability to confront societal problems when potential policies to address those problems "would impose disproportionate costs on their narrowly based but politically active constituencies" (p. 220).

### **Implications for Higher Education**

McGuinness (1999) noted that the “higher education community...has a stake in, if not a responsibility, to engage actively with state political leaders” (p. 185). This has never been more true than in the last decade as an increasing number of public institutions have had to compete for a shrinking share of public funds in an era of increased interest group activity (McGuinness). Unfortunately, no one anticipates that the future will bring much improvement. Rather, higher education will be forced deeper into the political fray, yet another interest among many seeking increasingly limited public dollars.

State-level public resources in particular are in jeopardy since states are burdened with a tax system that is low in elasticity, or unable to generate revenue growth in proportion to the growth experienced in personal income (Hovey, 1999). Simply put, state revenues tend to grow slowly, even as personal incomes experience growth, since states rely heavily on the sales tax. This has resulted in structural deficits that leave states unable to continue current service levels as revenues decline (Hovey). In addition to declining revenues, there is increased demand upon the state budget by such areas as K-12 education, healthcare, and corrections (Callan, Bracco, and Richardson, 1998; McGuinness, 1999). Decreasing public confidence in higher education as concerns over access and quality rise also place pressure on higher education funding (McGuinness).

As higher education comes to terms with the bleak outlook in state funding, it is more important than ever before to become engaged in the policymaking process and to understand the mechanisms through which policymaking is orchestrated. Interest groups

that serve higher education and operate at the state level provide one mechanism for exerting influence on that process.

### Higher Education and Interest Group Activity: Understanding the Relationship

The literature concerning the founding and activities of higher education interest groups is limited, at best. Hines (1988) noted that it wasn't until the mid-1970s that accounts of higher education's lobbying efforts began to appear in the research literature. This was in part due to the limited scope of the interest groups working at the federal level and a lack of interest in the activities of interest groups at the state level (Hines). It was not until the 1980s that that scenario began to change, even if only somewhat.

Much of what has been written of higher education interest groups is limited to the activities of the associations operating in Washington, D.C. Cook (1998) provided a history of how the "Big Six" higher education associations (AACC, AASCU, AAU, ACE, NAICU, NASULGC) formed and what roles they play in the federal policy process. Most notable is the sporadic nature of higher education's early involvement in the policy process. Cook found that most "associations dipped into and out of the policy making process according to their own interests at a given time [and that such] passivity and reluctance" to engage consistently in the policy process made it difficult for congressional allies to lend their support (p. 25). This did not change until 1972 when the higher education associations rallied behind ACE to influence the renewal of the Higher Education Act of 1965. However, "association leaders appeared oblivious to the forces working against them" as they advocated for direct federal aid to institutions rather than to students (p. 26). The resulting policy was directly opposite of what the associations

had worked and hoped for and served as a major setback since the associations appeared to be politically inept.

Regrouping, the associations studied their past lobbying efforts in order to become more effective in their congressional outreach activities. The result was a change in the way they managed their federal relations activities: improving coordination among the associations, adopting better policy analysis, and increasing their visibility on Capitol Hill (Cook, 1998). These improvements allowed the associations to meet the challenges of the 1980s and early 1990s with greater success, securing added funds for student assistance programs and academic research programs. The increased cohesiveness and well organized structure of the higher education associations allowed the community to better respond to the challenges of the 104<sup>th</sup> Congress, one that was openly critical of higher education. The new, more cohesive approach allowed the associations to take the lead on higher education advocacy and provide consensus around such policy issues as educational access, affirmative action, and federal aid to students. As Cook noted, “the associations considered themselves reasonably successful... and scholars tend to agree” (p. 33).

While parallels between federal and state-level higher education interest groups are certain to exist, it is difficult to determine the extent of their similarity as there is limited literature detailing the formation and activities of state-level higher education interest groups. Currently, the literature is predominated by case studies of institutional lobbying efforts, academic treatments of the mechanics involved in the lobbying process, and how institutions can become more involved in the policy process (Gelber, 2001; Hines, 1988; Jones, 1987). Unfortunately, little attention has been devoted to determining

if there has been a shift in the lobbying strategies of public institutions away from institutionally based lobbying and towards a coalition or organized effort such as that represented by higher education associations operating in Washington, D.C. or to understanding those shifts if and when they do occur.

### **Purpose and Significance of the Study**

The purpose of this study is to examine, in depth, the formation of a state-level higher education interest group in order to better understand why and how such interest groups form. It is hoped that an in-depth examination of the formation of a state-level interest group would provide insight to the following questions:

- Why does an interest group form at a particular time?
- What influences potential members to join the group?

This case study of the formation of the Virginia Business Higher Education Council, a state-level higher education interest group, provides further insight to the nature of such groups. There is very little research illuminating interest group formation at the state level and no in-depth single case analysis has yet been conducted. Findings from this case study help to fill that void in the research.

## CHAPTER TWO

Over the past forty years, special interests have organized as society has become increasingly diverse and complex. Higher education was not immune to this process but has only recently more fully participated in the public policy arena through such groups as the American Council on Education (ACE), an umbrella group of diverse college and university interests operating at the federal level. The following chapter provides insight to the state-higher education relationship and examines higher education interest group activity to date. In order to better understand how interest groups form and place the findings of this case study in context, the theories of Truman (1951), Olson (1965), Salisbury (1969), Moe (1980), and Sabatier (1992) are examined.

### The State-Higher Education Relationship

#### A Historical Perspective

The Constitution of the United States, through the Tenth Amendment, delegates powers not explicitly granted the federal government to the states (Gladiuex, et. al., 1997). Thus by omission, “the responsibility for education at all levels” fell to state governments “and is an American tradition” (p. 103).

Rudolph (1990) noted that in the early years of the nation, the “American college...was an expression of Christian charity” since the overwhelming number of colleges existing at the time were only able to survive through philanthropic means (p. 178). Men of means who grasped the importance of higher education to the economic development of the still young nation would become generous benefactors to various

institutions. A few would even found their own institutions, as was the case with Stanford, Johns Hopkins, and Wellesley, among others (Rudolph).

With such men or families of means in finite supply and the demand for higher education continuing to increase, colleges and universities found themselves seeking additional means of financial support. "The state stepped into the breach", providing institutions with financial assistance and the means to continue their existence (Rudolph, 1990, p. 185). Such support, however, was not offered on a consistent basis and the institutions receiving state dollars remained privately held entities. It was not until after the Civil War that states began to sponsor colleges and universities themselves, encouraged to do so under the Morrill Federal Land Grant Act of 1862 (Rudolph).

### The Current Relationship

State support for public institutions of higher education has faced new challenges in the late 20<sup>th</sup> century for several reasons: (a) declining resources as states face difficult economic choices; (b) increased levels of intrusion by state governments into areas of institutional governance; (c) declining esteem from citizens; and (d) escalating demands as states increasingly rely upon colleges and universities to help solve complex social and economic problems (Angel, 1987; Berdahl and McConnell, 1999; Hines, 1988; Jones, 1987; McGuinness, 1999). As a result, higher education has found it difficult to remain as aloof from the policy process as it once was. John Millet (1974), in describing his experiences as the President of Miami University in Ohio during the late 1950s and early 1960s, noted that "state universities like to believe that they are removed from the political arena" (p. 118). Yet, his own experiences proved that "whether we liked it or

not, I considered higher education in Ohio at all times to be heavily involved in the political process” (p. 119).

Currently, most scholars conclude that states and higher education coexist in a partnership where each seeks to work with the other in order to realize mutually agreed upon social and economic goals (Berdahl and McConnell, 1999; Hines, 1988; McGuinness, 1999). Hines (1988) noted that, being propelled to deepening levels of involvement with the external world, higher education necessarily entered “into the visible and controversial arena of policy making” (p. 104). This change in relationship brought about an increased and more sophisticated lobbying effort as institutions sought to increase their share of appropriations (Hines).

#### Lobbying and Higher Education

As noted earlier, most of what is currently known about the higher education lobbying effort is confined to activities undertaken by the higher education associations attempting to influence federal legislation. Unlike its K-12 counterpart, state-level higher education lobbying efforts have been “little affected by interest group” activities (Van der Slik, 2001, p. 64). Rather, colleges and universities tend to lobby on their own behalf and not as organized interests (Hines, 1988; Jones, 1987; Millet, 1974; Van der Slik, 2001). What is known about higher education’s involvement in the policy-making arena at the state level is most often confined to how individual institutions are involved in that process: case studies of institutional lobbying efforts, academic treatments of the mechanics involved in the lobbying process, and how institutions can become more involved in the policy process (Gelber, 2001; Hines, 1988; Jones, 1987). However, “this literature does little to answer the more subtle questions of self-interest versus collective



interest” and ignores a potential shift by institutions to reach beyond their narrow interests to form strategic relationships with those outside of higher education for lobbying purposes (Hines, p. 33).

To gain an understanding of interest group formation and draw conclusions about the activities of higher education interest groups operating at the state level, one must return to early literature in political science and political economy. The theories developed by Truman (1951), Olson (1965), Salisbury (1968), Moe (1980), and Sabatier (1992) offer the researcher a starting point from which to begin contemplating such questions as why and how state-level higher education interest groups form.

### Interest Group Origins: Theories of Formation

#### Disturbance Theory

In David Truman’s classic, The Governmental Process (1951), a pluralist vision of interest group formation is presented. Truman argued that interest groups arise from two related forces: (1) society’s growing complexity and (2) that people organize into groups of common interest when they are adversely affected by a “disturbance” or event (or series of events) that spurs organization.

Truman began his study of interest groups by examining the general role of groups in society, noting that simply labeling a group as “political” does not significantly alter its social patterns in comparison to other societal groups. Through a review of literature in the disciplines of sociology and psychology, he found that human beings are inherently drawn to associate in groups, beginning already in infancy. Through maturation, individuals learn to exhibit desired behaviors that allow them membership in

particular groups they hope to be associated with. Truman determined that the group experience is of utmost importance, giving “the individual, either directly or by sanctioning or censoring attitudes and behaviors stemming from isolated individual experiences, a general outlook, or frame of reference, in terms of which he perceives and evaluates events” (p. 19). Truman then concluded that an individual’s group experiences provide essential context for functioning successfully in society.

Societal groups may also be categorized as informal collections of individuals that are loosely bound or as more formalized entities due to the frequency of their interactions around their shared characteristics. Those groups that evidence a stability over a period of time are said to be *institutions*, including legislatures, churches, and stock exchanges, to name but a few. Institutional groups are further characterized by behavioral patterns that establish an operating equilibrium for that group. It is these agreed to behavioral patterns that allow a group to establish continuity and provide for the group’s survival.

Truman determined that when events occurred that forced a group to operate outside of its normal behavioral pattern, the group either responded to the event and then returned to its established equilibrium or, if the “disturbance is of great intensity or if it persists over a long period of time, a quite different pattern of interactions is likely to be established in place of the previous one” (p. 28). Should a serious disturbance to a group’s activity occur, the group’s members may seek to increase their activities in other groups they are associated with in order to achieve their goals or they may seek to form a new group to restore the equilibrium.

Truman then applied these central tenets of group behavior patterns to the workings of interest groups. He noted that just as groups in a society form, evolve, and

disband in response to various disturbances, interests, and therefore interest groups, follow the same pattern. Trade associations, for example, have existed since the colonial era, gaining regional and national scope around the time of the Civil War. Truman argued that trade associations multiplied in number and diversity in response to various economic and social stimuli such as increased demand, the diversification of goods and production methods, and military conflict. In 1913, the Department of Commerce and Labor determined that approximately 240 regional, national, and international trade associations operated in the United States (p. 76). This number increased to approximately 2000 by 1919, in response, Truman argued, to the international military crisis and demands by the government for increased production, diversity of products, as well as the need for economic planning to ensure a successful war effort (p. 76).

In conclusion, Truman noted that “the moving pattern of a complex society such as the one in which we live is one of changes and disturbances in the habitual subpatterns of interaction, followed by a return to the previous state of equilibrium or, if the disturbances are intense or prolonged, by the emergence of new groups whose specialized function it is to facilitate the establishment of a new balance...” (p. 44).

### Selective Benefits

Economist Mancur Olson (1965), on the other hand, argued that, at its heart, interest group formation is an economic activity based upon the receipt of goods or outcomes in return for investing in the group through membership. People join interest groups, he determined, not only to interact with others who share their view, but when they perceive that the benefits generated by the group’s action are only available to members of the group. Olson found that people would not join and invest in the activities

of an interest group when the benefits of group membership and action are available to members and non-members alike. He termed this the “free-rider problem.” As an example, he noted that while the results of the Chamber of Commerce’s lobbying efforts benefit the greater business community, regardless of membership status, only Chamber members benefit from the ability to “make contacts and exchange [valuable business] information” by attending the organization’s meetings (p. 146).

Additionally, Olson determined that there were distinct types of benefits individuals sought when considering associating with a group: *material* or economic benefits, *expressive* or ideological incentives, and *solidary* or social rewards inherent in group membership. Leaders of interest groups, he argued, will seek to offer some form or even a combination of selective benefits (benefits to which only members are entitled) and will tout their exclusivity in order to gain and sustain membership. Finally, Olson argued that individuals will join an interest group out of a motivation to receive some gain for their participation or investment (i.e., monetary discounts, increased contacts, etc.) and rarely for political reasons alone.

### Exchange Theory

Robert Salisbury (1969) expanded upon Olson’s theory of interest group formation. Salisbury found that people joined groups in large part because a charismatic leader was able to market the benefits of group membership to non-members and that the leader received benefits, or in economic terms a profit, in return. The basis of Salisbury’s theory, as well as Olson’s, is that of a competitive marketplace in which groups must provide attractive benefits in order to survive. Where Salisbury’s theory differs from Olson’s is in the determination that not only do members require benefits to sustain their

membership in the group, but that the group organizers or leaders must also receive some form of return for their investment in the activities of the group.

Salisbury noted that it is this exchange relationship between the group's leadership and membership that ultimately drives the formation of a group. Entrepreneurs/organizers, based upon their own experiences, seek to organize a group and offer benefits to consumers/members in return for membership. In return, the entrepreneur/organizers must receive enough return to "keep him sufficiently satisfied so as not to shift his energies to some other enterprise" (p. 25). He found this to be true even in groups where the benefits of membership are solidary or expressive. Leaders or organizers of such groups often will only continue in their roles if they offer "sufficient expressive value" (p. 26). Of greatest importance in this relationship are the ability of the entrepreneur/organizer to effectively market the benefits of membership coupled with the ability of the membership, through the activities of the group, to provide the entrepreneur/organizer with a satisfactory level of return for his or their investment of resources, either expressive or material.

#### Current Interpretations of Interest Group Formation

While the theories outlined above form the basis from which many scholars choose to frame or begin their discussions of interest groups, Moe (1980) found that Truman as well as Olson and Salisbury failed to adequately explain why people choose to join groups (Berry, 1997; Cigler and Loomis, 1995; Hrebienar and Scott, 1990; Sabatier, 1992). He continued by determining that intangible psychological benefits such as ideological objectives or the desire to contribute to society also motivate people to join

groups, something ignored, Moe argues, in the political and economic analyses of Truman, Salisbury, and Olson.

Sabatier (1992) arrived at the same conclusion in his analysis of the League to Save Lake Tahoe and the North Tahoe Chamber of Commerce, noting that all three theories failed to apply to both of the groups. The author found that Salisbury and Olson and their respective theories “do better on the chamber than on the league” and that Truman’s pluralist theory of group membership comes closest to explaining the formation of both groups while still providing an imperfect fit (p. 124). Rather, Sabatier determined that a deep adherence to an ideology by the group’s organizers motivated them to expend the time and energy required to form an interest group.

Taken together, the findings of Moe (1980) and Sabatier (1992) have been termed “commitment theory.” The heart of commitment theory posits that a group’s organizers exhibit an extraordinary devotion to a particular issue, greater than that of average individuals. This devotion or commitment is so strong that organizers do not require immediate or personal gain from their activity of forming or participating in the group. Rather, the organizers’ primary motivation was the realization of collective benefits that extended to a broad population.

While it is clear that no one theory can entirely account for the complexity that entails interest group formation, Berry (1997) argued that social scientists do know the following about the origins of interest groups:

1. That interests do evolve naturally due to changes in society and increasing complexity
2. Disturbances, while not required for group formation, can spur new groups to form
3. Group memberships are diverse and some interests are more difficult to organize than others (e.g. the poor)

4. The competitive environment in which interest groups exist requires leaders who are able to market their groups and increase/stabilize membership.

(p. 70)

### Conclusion

While some later studies may have concluded that the early theories of interest group formation did not provide all the answers, offering only an imperfect fit, there have been too few studies of interest group formation to conclude that the findings of Truman, Olson, and Salisbury are no longer valid. By the same token, not enough study has occurred to replace the early findings with those of Moe (1980) and Sabatier (1992). Clearly, there is room for further research in the area of interest group formation, especially on higher education interest groups operating at the state level.

Together, the theories do offer the researcher a point of departure as well as a mechanism to articulate researchable questions. Such over-arching questions as why do interest groups form at a particular time and what attracts members are able to be transformed into the following:

- Are there environmental factors that contribute to the formation of a state-level higher education interest group? If so, what are those and how important are they to the group's formation?
- What motivates interest group organizers to undertake formation and members to join? Are there benefits ascribed to group membership that convince members to sustain their membership in the group? If so, what are such benefits and how important to members are they?
- Must leaders or organizers of the group also receive a return on their investment of time, energy, and resources in order to sustain their leadership? If so, what form do those benefits take?

## **CHAPTER THREE**

**This chapter details the methods used in carrying out the study of the Virginia Business Higher Education Council (VBHEC) and analyzing the data gathered. The qualitative case study method was selected because it would allow the researcher to utilize an emergent design technique, allowing the data uncovered in the initial phases to determine the following steps and for presentation of the case in a holistic and descriptive manner (Merriam, 1998). The completion of this exploratory case study provides a more detailed understanding of state-level higher education interest group formation because it is based primarily upon VBHEC member participants' observations of the events that led to the group's formation.**

**The qualitative method has been well established as an acceptable method of research enquiry (Wolcott, 1990). This is especially true in policy research that is undertaken to refine or develop new theory of a phenomena (Polsby, 1984). Study of the VBHEC was undertaken to assess the fit between prevailing interest group formation theory and this group's formation.**

### **Research Questions**

**In order to assess the fit between the VBHEC's formation and the theories of interest group formation, the following research questions were developed:**

- What motivated the founders of the Virginia Business Higher Education Council (VBHEC) to establish the group at that time?**
- Why did members decide to join VBHEC and what sustained their membership? Was there a single factor, more important than other factors, that motivated them?**
- Did the group's members feel that they needed to receive a sufficient return in order to sustain their membership? If so, what form did that take?**



### Research Design

Case study methodology was selected because it is particularly useful in achieving an in-depth understanding of a phenomena (Merriam, 1998). Stake (1998) noted that an instrumental case study may use a particular case to “provide insight into an issue or refinement of theory” and that “the choice of case is made because it is expected to advance our understanding of that ...interest” (p. 88). The Virginia Business Higher Education Council was selected for study in order to gain greater understanding of state-level interest group formation, particularly of a state-level higher education interest group, and to compare that understanding to prevailing theories of interest group formation.

For the purpose of this study, the case under consideration is the VBHEC from the time of its inception in the early 1990s through its incorporation in 1996. The single case study method was selected to obtain a rich description of the phenomena studied, the formation of a state-level higher education interest group (Yin, 1993). Polsby (1984) also noted that the case study method is particularly desirable in political and policy inquiry, especially when understanding of phenomena with multiple and complex variables is desired and refinement of theory is a goal.

The VBHEC was selected for study because of its topical relevance as a state-level higher education interest group and for reasons of geographical access (Yin, 1993). Data collection consisted of a one-time effort to collect post-hoc data over a period of approximately four weeks rather than an extended data collection effort (Yin). It was also important to capture participants’ recollections of the VBHEC’s formation as soon as

possible, while participants' recollections of the group's formation were still fairly detailed and complete.

### Sampling

Participants in this study were drawn from the list of founding members of the Virginia Business Higher Education Council and were identified by a primary participant and through on-going interviews. The primary participant, Participant A<sup>1</sup>, was identified through an initial conversation between the researcher and Participant A. Participant A and the researcher were known to each other through an employer-employee relationship and had discussed the researcher's interest in the VBHEC. Participant A, a university president, acknowledged having first-hand experience with the Council, being among the founding members, and offered to participate in a study of its founding. Since the researcher had access to Participant A, interviews were begun with this individual during Week One.

In addition, four background interviews with participants of the political system in Virginia occurred during Week One and at the beginning of Week Two. These background interviews were conducted to allow the researcher to gain a greater understanding of the political and economic climate during the period in which the VBHEC was founded and of the time leading up to the Council's founding. This also allowed the researcher to better understand VBHEC participants' observations, help ensure the validity of participants' recollections, and facilitated the triangulation of data obtained from the VBHEC participant interviews. Participants in the background

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<sup>1</sup> Due to the sensitive nature of the study, all participants are identified A-Z.

interviews included two former legislators, a former political advisor to a Governor, and a staff member of the VBHEC.

Using a “snowball” procedure to identify study participants, Participant A recommended five further VBHEC members to be interviewed concerning the group’s founding. Of those, three were members of the business community and two were university presidents. Those participants, in turn, identified further potential participants for the case study. The two tables below present a detailed view of which participants were interviewed when and which persons were recommended by each participant for inclusion in the study. Participants who were from the business community are identified with an asterisk. Participants not from the business community were all university presidents.

**Table I: Progression of VBHEC Member Participant Interviews**

<b><u>Week</u></b>	<b><u>Participants</u></b>			
<b>Week One</b>	<b>A</b>			
<b>Weeks Two &amp; Three</b>	<b>B*</b>	<b>C*</b>	<b>D*</b>	
<b>Week Four</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H*</b>

**Note.** Due to the sensitive nature of the study and the promise of confidentiality to each person interviewed, participants are identified A-Z.

**Table II: Participant Identification of Other Participants**

<b><u>Participant</u></b>	<b><u>Potential Participants Identified</u></b>
A	B*, C*, F, G, H*
B*	A, C*, D*, I*
C*	A, D*, F, H*
D*	A, C*, E
E	A, B*, D*, H*
F	A, B*, E, J*
G	B*, C*
H*	A, B*, C*

A total of eight interviews with founding members of the VBHEC were conducted, each lasting between 45 and 90 minutes. In Table Two, the reader will note that two individuals, I\* and J\*, were recommended for inclusion in the study but are not included in Table One, which identifies the progression of participant interviews. These individuals were not included in the research study as the data had become repetitive by the last interview during Week Four.

Once potential participants had been identified, contact was established via an e-mail introducing the researcher and the nature of the study. The e-mail also identified the study participant who had recommended them for inclusion in the study as well as the employment relationship that existed between the researcher and Participant A. The VBHEC member was asked to consider participation in the study and a follow-up phone call was placed to the potential participant to answer any questions s/he might have and to schedule an interview time. All VBHEC members who were contacted to participate in

the study agreed to do so and each participant was interviewed in his/her office or place of employment.

In order to maintain anonymity and encourage candid and complete responses to issues that remain politically current, participants are not identified in the discussion of the research study and identifiable references to respondents and organizations have been removed. Where participant quotes are utilized, some background identification (i.e. general occupational grouping such as college president or legislator) is provided to facilitate the reader's understanding and establish the quote's context and relevance for inclusion.

### Data Collection

Data were collected primarily through the use of semi-structured interviews and utilized a mix of structured and unstructured questions. Additional supporting data were obtained from a review of documents and the public record, including VBHEC newsletters, member speeches, articles of incorporation, and newspaper or other press coverage of the group. These data were primarily used to confirm dates and participants' recollections in order to establish accuracy and consistency as well as to triangulate the VBHEC participant interview data. The use of semi-structured interviews allowed the researcher to respond to the data uncovered by the interview as it emerged, primarily in the form of follow-up questions to clarify participant responses or to elicit more detailed responses from participants (Merriam, 1998). On occasion, questions that elicited non-responses or answers unrelated to the case were restated later in the interview to ensure that the participant, if able, provided information relevant to the case at hand.

All interviews were conducted in person and open-ended questions were kept general in order to allow each participant to formulate an unguided response. Questions centered on the issue of how the participant became aware of the Virginia Business Higher Education Council as well as how each eventually came to join the interest group. Following is a generalized progression of issues that the interview questions covered:

- Participants' personal historical experiences in/with Virginia politics
- Participants' awareness of higher education issues
- Participants' involvement in higher education/higher education issues
- Participants' first awareness of VBHEC
- Participants' motivation for joining VBHEC
- Participants' motivation for remaining active in the VBHEC
- Participants' view of VBHEC's continued viability

Participants who were interviewed in the later half of Week Three and during Week Four were also asked to recollect specific instances of the group's history in order to confirm the chronology established by participants of the earlier interviews. For example, if a participant did not specifically identify how the chair of the VBHEC was selected, a question was asked in order to gain that participant's recollection of the event.

Data collection was considered complete when the data became repetitive and new themes or issues no longer emerged from interviews. The result of the data collection was a rich description of the case in its context, from which themes readily emerged and analysis of the findings in relationship to prevailing interest group theory were possible (Stake, 1995).

### Data Analysis

Data collected were analyzed in a holistic manner, where the impact of the each piece of data collected was considered in the context of the entire case (Yin, 1989). In

order to make sense of the data collected, data were first organized chronologically and then analyzed through a process of categorical aggregation. In categorical aggregation, participant narrative was reduced to its most common elements and the process of aggregation began with surface content analysis and was followed by successive iterations, which revealed codes, patterns, and eventually themes. Chronological presentation of the data was essential to the development of a historical context from which further analysis and interpretation of the case were undertaken. Once the chronological analysis had been completed, interview data were examined for collections of similar participant descriptions of events or participants' roles central to the VBHEC's formation. This allowed the researcher to reduce data to its most element parts, the *what* and the *how*, that define the descriptive phase of qualitative research analysis. Once that was completed, participants' narratives were separated and regrouped according to the categories identified in the descriptive phase. For example, all participants' narratives that contained descriptions of the group's leaders or its leadership were placed in one category.

Surface content analysis of the narratives in each category provided the codes in a first iteration of the data while a second iteration identified patterns in the data. Themes emerged in the third and final iteration of the data. Increased reliability of the findings was established by conducting a second analysis that also utilized an iterative approach to data analysis. In the second analysis, however, the categories were predetermined and developed from the research questions: (a) why the group was organized, (b) what motivated members to join the group, and (c) what sustained group membership and continuity. Once those categories were established, the analysis followed the same

pattern as the first with participants' narrative being pulled apart and descriptions of same phenomena regrouped according to the categories outlined above. Surface content analysis of these categories yielded the codes in a first iteration of the data. The first iteration also identified that one of the categories, (c) what sustained group membership and continuity, contained two distinct and separate sets of codes. When those codes were separated into their own categories, the second and third iterations of the data yielded the same patterns and themes identified through the first data analysis. The themes identified were: the *Political/Economic Environment*, members' *Motivation*, potential *Benefits of Membership*, and the group's *Leadership*. Both the first and second analysis were completed manually by the researcher and qualitative data analysis software, such as NUDIST, was not utilized to facilitate data analysis.

### Researcher Bias

The employment relationship between the researcher and the initial VBHEC participant interviewed, Participant A, raises the issue of researcher neutrality and objectivity. This does subject the researcher to some level of bias in the analysis of the data. However, the employment relationship also facilitated the researcher's access to the group. It is the belief of the researcher that the level of access and the depth of participant trust were greatly enhanced because of the employment relationship and that the data collected are richer as a result. Additionally, every attempt was made to control for bias through the use of data triangulation (via comparison of different data forms) as well as conducting a second analysis of the VBHEC participant interview data (utilizing a different strategy of categorical aggregation).



### **Conclusion**

**In order to gain greater insight to higher education interest group formation, a case study of the Virginia Business Higher Education Council was conducted. This chapter detailed the methods and analysis used to make sense of the data that was collected. Data were collected primarily through participant interviews and utilized open-ended questions that asked participants to recount the group's history as well as their perception and recollection of the group's formation. The following chapter, Chapter Four, presents the chronology of the group's founding as well as the major themes that were identified through the qualitative data analysis method of categorical aggregation. Finally, Chapter Five discusses those findings in relationship to previous research and provides avenues for further research in the area of interest group formation.**

## CHAPTER FOUR

This case study utilized a qualitative perspective to examine the Virginia Business Higher Education Council (VBHEC) in order to gain insight to higher education interest group formation at the state level. In the following chapter, a chronology of the Virginia Business Higher Education Council's beginning is presented, as are the themes that emerged from the analysis of the interview data and supporting documents. Together, the chronology and the themes that resulted from the data analysis allowed this case to be compared to prevailing theories of interest group formation: (a) that interest groups form in response to a disturbance in the environment (Truman, 1951); (b) that group members require the receipt of benefits for their participation (Olson, 1965); (c) that group leaders require benefits to sustain their participation (Salisbury, 1969); and (d) that interest group formation requires individuals who share a deep commitment to a particular philosophy or ideology (Moe, 1980; Sabatier, 1992).

In this study, themes were identified through a process of categorical aggregation where VBHEC participant narratives were holistically examined for collections of similar descriptions of events, thoughts or feelings. Once those were identified, the narratives were pulled apart and reconstituted in four categories. Surface content analysis provided the initial codes in a first iteration of the data. The second iteration yielded patterns in the data while the third iteration of the data identified the themes that are presented below. Reliability was established via a second analysis of categorical aggregation that utilized predetermined categories that stemmed from the research questions: (a) why the group was organized, (b) what motivated members to join, and (c) what sustained group membership and continuity. Participant narratives again underwent a process of surface

content analysis to identify narrative that described phenomena pertaining to one of the three predetermined categories identified above. Once the narratives were pulled apart and associated by category, codes were revealed in a first iteration of the data and indicated the need to break the third category, (c) what sustained group membership and continuity, into two distinct categories. Once the categories were stabilized, patterns emerged in the second iteration of the data and themes were identified in the third and final iteration. The second analysis yielded the same patterns and themes identified in the first analysis: the *Political/Budgetary Environment*, members' *motivation*, potential *Benefits of Membership*, and the group's *Leadership*.

As noted previously, VBHEC participants' interview narratives, VBHEC documents, and press articles about the VBHEC constituted the data that were analyzed to establish the group's chronology and for the generation of the themes identified above. Interviews conducted with participants of the political system (the background interviews), while not included in the generation of the themes, provide relevant context for understanding the data and themes generated by the VBHEC participant interviews and are included, where appropriate, to validate and clarify the findings of the VBHEC member participant interviews.

### VBHEC: The Historical Perspective

The chronology of the group's organization facilitates a greater understanding of the group's beginnings and is woven throughout all of the interviews. Table III: Chronology of the VBHEC Founding, provides a linear presentation of the chronology of the group's founding. The chronology was established through VBHEC member

participants recollections and supported by various documents of the VBHEC, including articles of incorporation, copies of letters, speeches, and memos, as well as other sources from the public domain ( newspaper articles, Web sites, etc.). A discussion of the chronology follows the table.

**Table III: Chronology of VBHEC Founding**

<b><u>Date</u></b>	<b><u>Activities</u></b>
<b>1990+</b>	Participants have intermittent discussions about the state of higher education funding and the possible effect of the looming recession on higher education.
<b>1993</b>	2 rectors and 2 university presidents, responding to a period of higher education budget cuts and tuition increases during recent recession, meet to discuss the potential for a new higher education advocacy group.
<b>Summer, 1993</b>	An expanded group of former board members and college presidents meet in Richmond. First organizational meeting; leader nominated, selected, and invited to participate; leader joins.
<b>Summer/Fall, 1993</b>	Potential members identified by participants of the summer meeting – most are former board members or are business leaders with close ties to a particular institution. Potential members asked to join; most do.
<b>August, 1994</b>	Press release issued on Virginia Business Higher Education Council's creation.
<b>1994</b>	Executive Director for group hired.
<b>1994-1995</b>	"3 Governor's Letter" and defeat of Governor Allen tax-cut initiative.
<b>September, 1996</b>	Virginia Business Higher Education Council incorporated.

While the exact moment that the idea for the Virginia Business Higher Education Council was born remains occluded, most participants began their recollections with the recession experienced during Governor L. Douglas Wilder's administration (1990-1994). They related that in the early 1990s, individuals who traveled in similar business, social, and political circles began to give voice to their concerns about the future of higher education funding in Virginia. One president shared his recollections about the group's beginning:

I remember a meeting of the rectors [and attended by university presidents] at which [a senior legislator] was the main speaker, and he made a point of saying that people who were inclined to support higher education in the political structure needed to hear stronger voices of advocacy than they were hearing. And I have a sense that it may have been out of that meeting that some of the thinking on the part of the presidents and some of the rectors crystallized. That may be as close to a beginning point for the discussion of the Business Higher Education Council imagining as you can come up with.

What is clear is that during the late winter or spring of 1993, two of those rectors and their university presidents met to discuss the possibility of convening a group to advocate on behalf of higher education. One of the participants of that meeting recalled that "we concluded, the four of us, that if we were going to do such a thing, it needed to be a business lobby, of business leaders from across the state that lobbied not for the individual schools but for higher education funding in general."

### A Lobbying Group is Born

During the summer of 1993, a group of former board members and college presidents met in Richmond to discuss organizing a group of business leaders into a

higher education advocacy group. One of the business leaders present remembered that “we convened, I think, at one of the banks in Richmond or at Dominion Power for a lunch meeting. Not particularly well organized. We just kind of brought everybody together and thought we’d talk about this and see if they had an interest in helping to form and to fund it.” Participants recalled that approximately 12 to 14 business leaders from around the state were invited to attend. This group of business leaders was identified by the former rectors and presidents through an informal round of discussions identifying business leaders known to at least one of them and who were known to have an interest in higher education and the issues facing higher education: “we just came up with names of business leaders from around the state that we knew had an interest in higher education,...former board members...” Most of the individuals selected were former board members and known to several participants through their “political activities. I think somebody in the group knew them all. We didn’t invite anybody we didn’t know.” As to the inclusion and status of the presidents in the group, one president recalled that the decision to have presidents serve as *ex officio* members was not a difficult one. Rather, it was more of an automatic one: “I don’t think we asked [the presidents] if they wanted to be members, we assumed they did... The more difficult part was figuring out who we should ask, and who would accept, membership from the business side.”

It was also during this meeting that the issue of the group’s leadership was discussed. One president recalled, “it was [another university president] that raised the possibility that [one of his former board members] might be an ideal person to lead the group... So, really it was [that] connection that brought us, ultimately, the leadership of

the organization.” The individual who would be invited to become the leader of the Virginia Business Higher Education Council was considered by other participants to “have the stature and the strength of his convictions to make the case and not mince words and really stick with this ‘til we see some results...we concluded that [he] was our man.” Fortunately for the group, the individual agreed to join the effort and chair the group. There was one condition however, he would only agree if the college presidents committed to maintaining a united front and begin to develop a unified approach to higher education budgeting versus the institutional approach of the past. The presidents agreed. Since Virginia higher education is not governed via a system approach, this move to increased collaboration among presidents is significant. Each president agreed to relinquish a portion of his/her independence for the greater good of all higher education in Virginia.

After the group’s membership and leadership were established, an executive committee was selected “in fairly rapid order after that,” recalled one participant. This group quickly determined that in order to succeed, they needed to establish a dues structure: “we succeeded in raising a couple hundred thousand dollars...Of course, we assessed the colleges a certain amount. [We were] not interested in spending all [our] time running around borrowing money five bucks at a time. If we were going to do it, we were going to have a...per member contribution and it pretty much worked that way.” The income allowed the VBHEC to hire a full-time executive director who could facilitate the group’s understanding of and participation in the legislative process. One participant recalls, “we had the great good fortune to retain [someone] who had long experience in the state government. She was the former director of budget in Wilder’s

administration and...was a very savvy gal who knew the details of the budget, she knew the political system intimately and she was a very straight thinker. She didn't get diverted by... politics, or anything. I found her to be extremely capable in that regard."

A press release in August of 1994 marked the group's entry into the public domain. The VBHEC hit the ground running, publicly opposing newly elected Governor George Allen's proposed tax cut at legislative hearings and enlisting the aid of three former governors via a letter outlining the damage a \$50 million cut in funds would have on higher education in the state (Trombley, 1997). One participant recalled, "we appeared at all the finance committee hearings and we opposed the tax cut and stated the case for more money for education. And finally we, in March, early March, in the final stages of the session, the high spot of that effort was we got [former Governors] Baliles, Holton, and Godwin to write a letter to the General Assembly criticizing the tax cut."

The public stance by a coalition of business and higher education leaders, under the VBHEC umbrella, helped defeat the tax cut initiative. Having achieved a measure of success, the Council turned its attention to the 1995 legislative elections. The group asked all 140 candidates for the House of Delegates and the State Senate to sign a statement of support for Virginia's public colleges and universities (Trombley, 1997). "We sent [a questionnaire] to all the legislators because they were running for office in '95 and we wanted commitments to higher education. We wanted them to be aware of [higher education funding] and of course [we] got 75% of them back that say we're for it," recalled a participant. Based upon these responses, the VBHEC sponsored advertisements in *The Washington Post*, listing candidates who affirmed the group's position. Observers of Virginia politics believe that the VBHEC's ad campaign helped decide the outcome of



several close races, installing a legislature that was friendlier to higher education than in previous years and resulted in an increase of \$200 million for the 1996-1997 academic year (Trombley).

With these successes, the group achieved maturity and was officially incorporated in September of 1996. The Virginia Business Higher Education Council continued to advocate on behalf of Virginia's colleges and universities, even as some participants recognized the challenges of maintaining the group's momentum: "the group is no longer as vibrant as it was... the group is...still useful.. in fact it's the only viable entity outside of the [college] presidents working for higher education... When you put together a group like that and it takes a very prominent and substantially effective role as an advocate, it's awfully hard to sustain that kind of effectiveness over time." Yet, the Virginia Business Higher Education Council has remained active in the political process and the group continues to reach out to the general public and lawmakers through a series of newsletters, public discussions, editorials, and the VBHEC Web site.

#### VBHEC: Understanding the 'Why' of Formation

Understanding the chronology of the group's formation is important, but provides only a limited appreciation of why an interest group forms at a particular time and what motivations drive members to participate in the group. In order to gain richer insight to this process, further questions were posed, including (a) participants' interest and involvement in politics, (b) their interest in higher education, (c) their motivation to found and participate in a higher education interest group, and (d) under what circumstances they believed the VBHEC might disband. Participant responses were then

examined holistically and, through the process of categorical aggregation described at the beginning of the chapter, four themes were identified: the *Political/Budgetary Environment*; the participants' *Motivation* for joining and remaining active in the VBHEC; participants' perceived *Benefits of Membership* in the VBHEC; and the *Leadership* of the organization. Table IV: Theme Generation, on page 38, summarizes the process of identifying themes from the data collected and is followed by a detailed discussion of each theme.

**Table IV: Theme Generation (read from bottom up)**

<b>Research Questions</b> RQ1: What environmental factors, if any, motivated participants? RQ2: What motivated participants to join and continue membership? RQ3: Do participants feel need to receive a "return" for their participation?			
<i>Third Iteration: Themes Identified</i>			
Political/Budgetary Environment	Motivation	Benefit(s)	Leadership
<i>Second Iteration: Pattern Variables</i>			
<ul style="list-style-type: none"> <li>- State budget constraints</li> <li>- Culture shift in General Assembly away from state-wide visioning to regionalism</li> <li>- Lack of support for colleges and universities as state revenues stabilized/restored</li> </ul>	<ul style="list-style-type: none"> <li>- Belief in education as social good</li> <li>- Desire to change system of higher education finance in state</li> </ul>	<ul style="list-style-type: none"> <li>- Some increased legislative success</li> </ul>	<ul style="list-style-type: none"> <li>- Leader as 'engine' of group</li> </ul>
<i>First Iteration: Initial Codes/Surface Content Analysis</i>			
<ul style="list-style-type: none"> <li>- Budget cuts</li> <li>- Tax cut initiatives</li> <li>- Fiscal crisis</li> <li>- Declining political leadership</li> <li>- Change in General Assembly</li> <li>- State leadership era vs. regional leadership era</li> <li>- Professionalization of political office</li> <li>- Tuition freeze</li> <li>- Fiscal support not regained as state revenues increased again</li> </ul>	<ul style="list-style-type: none"> <li>- Value of education</li> <li>- Deteriorating political environment</li> <li>- Desire to assist colleges and universities</li> <li>- Belief in social need for vibrant colleges and universities</li> <li>- Need to invest in the state's future</li> <li>- Inequities/inadequacies of state funding</li> <li>- See a continuing trend of under-financing colleges and universities that needs to be reversed</li> <li>- Prior service on university or college governing board</li> </ul>	<ul style="list-style-type: none"> <li>- "3 Governors" Letter</li> <li>- Defeat of tax-cut initiative</li> <li>- Increased stature of higher education advocacy</li> </ul>	<ul style="list-style-type: none"> <li>- Need for leadership to structure group and speak for group</li> <li>- Uncertainty over group's future with loss of leadership</li> <li>- Desire to ensure continued leadership/groom future leader</li> </ul>
Interview Data			

### **Political/Budgetary Environment**

Of the four themes identified, perhaps the most crucial is the political and state budgetary environment at the time of the founding of the Virginia Business Higher Education Council. Every single participant spoke at some length of the recession in the early 1990s and the effect it had on the state budget and allocations to higher education. Participants used a variety of descriptors, most including “change in culture”, “deteriorating environment”, “fiscal crisis”, and “increased regionalism,” to describe their memories surrounding initial discussions of the Virginia Business Higher Education Council. The 1990s also heralded the beginning of a new political era. Two successive Republican governors, George Allen and James Gilmore (1994-1998 and 1998-2002 respectively), laid the foundation for the Republicans to gain control of the General Assembly in 2000.

**Recession in the early 1990s.** The 1990s began with the installation of a Democratic governor, L. Douglas Wilder, and with a recession looming on the horizon. Governor Wilder had promised Virginians that the state could ride out the recession without increasing taxes. With a budget gap of approximately \$2.5 billion, the governor was only able to deliver on this promise by making substantial cuts in the state budget, including higher education (Jeffries, 2000). One participant, a former member of the legislature, noted that “budgets were tight and [Governor] Wilder, I’m not going to quarrel with what he did, but [Governor] Wilder cut the education budget by \$500 million.” This was, as one participant described it, the decade’s “first big crisis in higher education.” In exchange for the lost revenue, the governor and the legislature allowed the state’s public universities flexibility in setting tuition in order to recoup some of the

losses. The predominant thinking was, as one former legislator noted, that “higher education could recoup its losses via tuition increases” whereas other state agencies had little or no revenue source outside of state appropriations. For the state’s college and university presidents, however, this only proved to be a lesser of two great evils. As tuition soared, one president related, Virginia eventually landed “among the top five most expensive states” for college tuition. But, as one president noted, “...the expectation was that when the economy began to recover, there would be money returned to [higher] education.”

This was not to be the case. While the state’s revenues did improve, they were not accompanied by an increase in allocations to higher education, a clear departure from previous experiences. Eventually, a shared belief grew among VBHEC members that another occurrence may also adversely impact higher education: “[one doesn’t] see the sort of [political] leadership we had in the old days,” that “increased regionalism in political thinking signaled the end of an era of political thinking in the state.”

A political culture shift. While the recession and the resulting decrease in allocations to higher education had prompted the participants to discuss how best to represent higher education in the political process, it was the growing belief that a political culture shift was underway that sustained the group’s membership. As one participant noted, member participation was “driven, ultimately, by the deterioration of the environment in the [state capitol] in support of public higher education.”

Until 1970, Virginia had been dominated by the Democratic Party and, until 1965, the Democratic Party was dominated by a particular group that came to be known as the Byrd Organization. This group was centered around the leadership of former Governor

and United States Senator Harry F. Byrd and subscribed to a conservative set of beliefs that are currently associated with the modern Republican Party in Virginia: a “laissez-faire atmosphere where citizens could, through initiative and hard work, acquire property....Byrd believed government had a very limited role in providing social services and should never spend beyond its revenues.” (Hawkes, 1982, p. 245).

During the course of the political background interviews, a participant remarked “...that no one should doubt that there ever was a Byrd Organization...” while another noted that “...in 1968, you had an extremely conservative, ah, organization-driven political system in the Commonwealth...you had two parties, but they were both Democrats. You had the Byrd Democrats and you had the anti-Byrd Democrats.”

In spite of the decline of the Byrd Organization after the senator’s passing, the Democrats still were in control of the Virginia Legislature but the race-centered conservatism that had dominated the Byrd Organization had been tempered with a more moderate voice (Wilkinson, 1968; Younger and Moore, 1982). Both VBHEC member participants and participants in the political background interviews observed that the legislature during this time, in their view, was populated with individuals who “were state oriented,...who actually understood and cared about the Commonwealth as a whole.” Participants who were members of the legislature noted that they perceived a gradual shift in how individual legislators came to view their service: “we are a citizen legislature and the goal has always been, in Virginia, you go up for a couple of months and you come back and live under the rules that you’ve established...it’s [been] getting away from that.” Another found that “there are some people that are in the legislature that look upon it as a job...as opposed to a civic responsibility.” Several participants from both

groups remarked that such a change in the conceptualization of legislative service, away from public service and towards that of a desired job, led those in political office to focus increasingly on regional issues in order to gain and maintain elected office: “we really have now in Virginia a kind of politics...where representatives don’t very often think in the context of state-wide issues.”

During the same period, the Republican Party in Virginia experienced increasing stature. The ascendancy of the Republican Party in Virginia politics began with the election of the first Republican governor of the 20<sup>th</sup> century, Linwood Holton, in 1970, and gathered strength in the mid-1990s with the installation of 2 consecutive Republican Governors, George Allen and Jim Gilmore.

Participants, overwhelmingly, were careful not to tie their observations of a political culture shift to a shift in party power. However, through further questions, some believed that “the trend [away from the view of legislative service as a state-wide obligation to all citizens] was accelerated by the election of George Allen and Jim Gilmore” with another noting, however, that “...[the trend]...has infected both parties...”

Decreasing state support. The Republican platform of tax cuts and leaner government would resonate with Virginia voters in 1993 and resulted in the election of Governor George Allen. One of the higher education policies popularized by Governor Allen and carried on by his successor was a legislatively mandated freeze on in-state tuition. As one participant noted, “the state didn’t give us any money...to make up for what we should have been able to increase tuition. So we were frozen on both sides,...we weren’t getting any [increased] state money and we weren’t allowed to raise tuition...so we just badly under-funded the schools.”

While the recession of the early 1990s led to initial discussions among the VBHEC founding members of the need for a higher education advocacy group, the following years of tuition freezes and flat state support for higher education clearly worried several participants: “the under-funding [became] chronic” and “the system was moving in a direction that was going to damage higher education and...it was critical that everything be done to prevent that.” Participants, especially among the presidents, noted that “it became clear...that it was important to find voices, [besides those of the institutions], to make the case for higher education” in Virginia.

### Two Environments, Two Disturbances

As detailed above, there were actually two disturbances that affected the equilibrium of two operating environments and impacted Virginia public higher education: the state budgetary environment and the political environment. Given that the disruption in allocations to higher education occurred and was accompanied by participants’ perception that a shift in the political environment was underway, one might naturally be tempted to link the two together (i.e., that the group’s formation ultimately depended on both being present). The early discussions that eventually led to the group’s formation were in response to the decreased allocations to higher education and resulting tuition increases that defined Governor Wilder’s administration. The realization that a political culture shift, according to participants’ narratives, was underway grew slowly over time and gained legitimacy among participants during Governor Allen’s administration, once the group had formally been established.



## **Motivation**

In addition to changes in the political and economic environment, there were other factors that led participants to form the VBHEC and sustain their membership. Primary among these, as expressed by most participants, was a deeply held belief “in the value of education” as a social good that, ultimately, benefits the state. Not surprisingly, all of the presidents expressed long-held beliefs in the power of education while 3 of the 4 participants from the business sector used such language as “power of education”, “value of education”, and the “need to invest in the state’s future” to express their motivations for joining the VBHEC.

**Education as a social good.** Among the VBHEC member participants of this study, half were college presidents and half were former board members and leaders of the business community in Virginia. Therefore, each had some exposure to the inner workings of higher education with some having intimate knowledge of the system. One may infer that the presidents had an obvious, vested interest in higher education. The commentary by the business members shows that ideology most often automatically associated with members of the higher education establishment was also held by some among the business community.

Participants from the business community spoke of becoming aware of the power of higher education and its value in the life of a state during their own college and graduate study experiences or during their service on governing boards: “my real interest rose though, when I was elected president of the [student association]...and we were lobbying to construct a new...school...[as we were] in danger of losing accreditation” and “I became involved in the early advisory boards...and then I was appointed to

the...board.” Others noted that their business experiences led them to the belief that “it is so important to the state that [quality higher education] continue as an economic generator. People want quality education, you want to compete for businesses that come here because high quality schools are here.”

These beliefs led participants to become involved on behalf of higher education, first, primarily, through service on governing boards and then, as they perceived the political and economic environment to deteriorate, through group political action. “I just think it’s worth fighting for. It is important for business leaders to let the General Assembly know and to become a lobbying group. They’ve got to hear from somebody...” “You know, that if people don’t fight for it, it’s just amazing the way these budgets get cut.”

Institutional lobbying vs. system lobbying. Three participants also expressed the view that in order to secure equitable funding for higher education, it would be important, ultimately, to address funding for the system as a whole, rather than on an institutional basis. “It occurred to us that we ought to sit down and talk about another approach to lobbying on behalf of higher education. What we had been doing in the past seemed...to be relatively ineffective – not dealing with the larger issue of the total amount of money we were committing to the issue as a state.” “We concluded that if we were going to do such a thing, it needed to be [a group] that lobbied not for individual schools, but for higher education funding in general.” Participants believed it was necessary to shift the discussion away from institutional funding to system funding. Only then could they better demonstrate Virginia’s lack of investment in higher education, a position that ran counter to their own. The goal, as these participants iterated, was to see that “the entire system of

financing higher education restructured in such a way that we don't need a Virginia Business Higher Education Council."

### Leadership

Another important theme that emerged was the issue of the group's leadership. What is interesting about this theme is that it arose even though none of the interview questions asked about group leadership or its importance, either directly or indirectly. Yet of the eight VBHEC member participants interviewed, five talked about the issue of leadership in their responses. Generally, responses centered on the theme of leadership were in reply to such questions as what events or circumstances could participants envision bringing about the group's demise. The majority of responses, from both business leaders and university presidents, centered around the stature of the group's leader and what his withdrawal from the group would mean for its future: "the Virginia Business Higher Education Council's greatest strength...is [its chair] – he has been the engine that has driven this council and there have been few others who have had or who have as strong an influence on its affairs. So if we were to lose [him], I see us at risk." Another participant stated, "were the council to lose its influence, my guess is that you could trace it to [the chair's] departure."

Others noted that the importance of the group's leadership had become apparent to the group's members: "You have to have the same concern of the future in that what happens if [the chair] retires. I think that what happens is...that [others] of another era take on the organization. And they bring different styles and so on, but these are not people who quit and walk away from big issues in Virginia. They conduct battle." It became increasingly evident that "we needed to expand the leadership in some ways so

that,...there would be others to take [the chair's] place. And this is beginning to be discussed."

While participants spoke directly to the issue of the chair's leadership of the VBHEC, analysis of the interview transcripts also determined that the group had an informal leader, a university president. He was among the first to recognize the potential negative impact to higher education that changes in the economic environment would bring. Engaging former board members during the early informal meetings, this individual helped move those informal discussions to the first organizational meeting in the summer of 1993 where the foundation for what would become the VBHEC was established. An important indication of this individual's leadership status comes from participants themselves – 6 of 8 VBHEC member participants in this case study indicated that this individual needed to be included in any study that outlined the group's formation and early history. Confirmation of this individual's leadership status within the VBHEC also comes from the background interviews with participants in the political system at the time of the group's formation. These participants noted the instrumental role this individual played and continues to play in sustaining the group.

#### Perceived Benefits of Participation

It has been stated that members of an interest group require the receipt of benefits in order to engage them in the group and to sustain their participation (Olson, 1965). While participants of this case study were not directly asked if they received benefits for being members of the VBHEC, interview questions were asked to determine participants' motivation for joining the VBHEC and maintaining their membership. (i.e., why did you participate in the founding of the VBHEC? and why do you remain involved in the

VBHEC?). Participants' narratives describing their motivations for participating in the founding of the VBHEC were closely examined in order to determine what role, if any, the receipt of selective benefits played in the formation of the group.

VBHEC participants did not indicate that they received either tangible or intangible benefits for their participation in the VBHEC. Rather, most spoke of acting upon firmly held beliefs and ideology instead of a need to benefit from their participation or the desire for a return on their participation: "those conclusions [about the value of education] have ultimately become firmly held beliefs and within the parameters of a very busy social and family life, I have taken every opportunity [through VBHEC] to iterate those beliefs [and] I do devote some time and energy to it."

When asked further questions, two participants did relate that some initial legislative success did serve to sustain their interest in the group: "The high spot...was we got [former Governors] Baliles, Holton, and Godwin to write a letter to the General Assembly criticizing [Governor Allen's] tax cut." This "single-handedly cost [Governor Allen]...a tax-cut initiative, that in order for it to have worked, would have required a cut in higher ed." "It reversed the trend and I don't think that we can underplay what that had meant for colleges and universities because up until then, nobody understood the political power that colleges and universities [through the VBHEC] held." Thus, there is limited indication that tangible benefits, such as achieving some level of legislative success, do sustain member participation.

However, most participants stated their primary reason for continued participation in the VBHEC was due to a realization that "as long as William & Mary and George Mason, UVA, and so on,...are battered by changes in the economy and continue to lose

state support,” there was a continued need for the VBHEC. As one participant noted, “the situation...has not really improved – it’s actually gotten worse – so the reasons for my early involvement haven’t changed any.”

### Conclusion

As noted above, the VBHEC case study provided four important findings: (a) the group’s chronology; (b) that the environment, both budgetary and political, played a role in the group’s formation; (c) that members were primarily motivated by a commitment to a shared philosophy of the value of education; and (d) that leadership played a significant role in sustaining VBHEC membership.

In order to gain greater insight to these findings, it is important to consider them in the context of the theories of interest group formation, notably those of Truman (1951), Olson (1965), Salisbury (1969), Moe (1980) and Sabatier (1992). These researchers determined that interest groups required certain criteria to facilitate their formation: (a) the disruption of the normal operating environment (Truman); (b) that group members required the receipt of benefits for their participation; (c) that leaders need to experience a level of return greater than their investment of time and effort in order to continue their participation (Salisbury); and (d) that group members and organizers simply required a deep level of commitment to an issue around which to organize themselves (Moe and Sabatier). The next chapter, Chapter Five, discusses the findings of the VBHEC case study in the context of these theories as well as the implications for future research.

## CHAPTER FIVE

This exploratory case study of the Virginia Business Higher Education Council (VBHEC), a higher education lobbying group composed of business and education interests, was conducted in order to gain greater insight to state-level higher education interest group formation. A qualitative method was utilized and interviews with founding members of the VBHEC were carried out in order to understand why participants felt the need to organize such a group at that particular time as well as why members joined the group and continued their participation. The case study covered the time period from the early 1990s through the Council's incorporation in September of 1996.

This chapter consolidates the findings detailed in the previous chapter with a discussion of those findings in relationship to prevailing theories of interest group formation developed by Truman (1951), Olson (1965), Salisbury (1969), Moe (1980), and Sabatier (1992). A summary of the findings is followed by a detailed discussion organized around the research questions: (1) what environmental factors, if any, motivated the founders of the VBHEC to establish the group at that time?; (2) why did members decide to join the VBHEC and was there a single factor, more important than others, that motivated them to do so?; and (3) did the group's members feel that they needed to receive a sufficient return in order to sustain their membership? Finally, the implications of the research and possible avenues for future research conclude the chapter.

## **Findings of the Case Study**

### **The Historical Perspective**

Initial discussions to found a group that eventually became the VBHEC took place during the early 1990s as college presidents and some business leaders became increasingly concerned about the future of higher education funding. This was a period of recession and budget cuts to most state agencies, including the state's public colleges and universities. Those early discussions led a small group of rectors and college presidents to meet and discuss how a coalition between higher education and business might advocate on behalf of colleges and universities within the state's political system. The group determined that such a coalition was feasible and in the summer of 1993, a larger group of former board members and college presidents met in Richmond to discuss the issue further. Approximately 12 to 14 business leaders from around the state attended, as did the college presidents. From this meeting, it was decided that a group of business leaders working on behalf of higher education funding for all public colleges and universities would provide the most effective voice. The college presidents, as *ex officio* members, would facilitate the group's understanding of the issues confronting higher education in Virginia and a leader from the business community was selected to chair the group.

The VBHEC quickly got to work by publicly opposing Governor George Allen's proposed tax cut at legislative hearings and by bringing the cumulative persuasion of three highly respected former governors to bear on their side of the issue. The former governors endorsed a letter outlining the damage a \$50 million cut in funds would do to higher education and stated that they believed such actions would not be in the best



interest of the state's future. Based upon this effort, the VBHEC helped defeat Governor Allen's tax cut initiative.

The VBHEC then turned its attention to the legislative elections of 1995, asking all candidates to agree on a platform of support for Virginia's public colleges and universities. The group received support from approximately 75% of those seeking election or re-election and their advertising campaign, listing candidates who endorsed the higher education platform, helped decide the outcome of several close races (Trombley, 1997). The resulting legislature was one that was friendlier to higher education than those of previous years and resulted in a \$200 million increase of funding for higher education over the previous budget (Trombley).

These successes helped the group achieve maturity and provided members with a model to guide future efforts. The VBHEC was incorporated in September of 1996 and continues to speak out on behalf of Virginia higher education. Members of the group, reflecting upon their experiences, noted that the group's early effectiveness helped establish the VBHEC as a voice with some authority in the legislative process. They also noted that the VBHEC's most pressing challenge was to sustain the group's strong leadership and maintain the early momentum in an economic climate that continued to prove challenging for higher education funding.

#### VBHEC: Understanding the 'Why' of Formation

The historical presentation of the VBHEC's founding provides critical insight to the group's formation, but alone does not provide enough data from which to make assumptions about the theories of Truman (1951), Olson (1965), Salisbury (1969), Moe (1980) and Sabatier (1992). Further data were needed to better assess (a) what events

may have precipitated the group's formation, (b) what benefits, if any, group members required in return for their participation, and (c) what, if anything, the group's organizers required to sustain their participation in the group.

In order to obtain that data, open-ended interview questions about participants' interest and involvement in politics and higher education, their motivation to found and participate in a higher education interest group, and under what circumstances they believed the VBHEC might disband were developed. Analysis of the interview data consisted of a process of categorical aggregation whereby findings were uncovered through an iterative approach to determine meaning and make sense of the data. In the first step, participants' narrative responses to the interview questions were holistically examined to identify collections of similar participant description of events, thoughts, or feelings. This allowed the researcher to reduce the data to its most elemental parts, the *what* is going on and *how* things are that define the descriptive phase of qualitative data analysis. Once that was completed, participants' narrative were pulled apart and regrouped according to the elemental parts and broad categories were identified in the descriptive phase. For example, the majority of participant narrative that spoke to the VBHEC's formation began with participants detailing the economic and political environment surrounding the group's formation. Thus, all participants' narratives that contained descriptions of the economic and political environment were placed in one category.

Surface content analysis of the categories provided the codes in a first iteration of the data while a second iteration identified patterns in the data. Themes were established in the third and final iteration of the data. Increased reliability of the findings was

established by conducting a second analysis that also utilized an iterative approach to data analysis. A second analysis was undertaken in order to provide for greater validity of the findings. In the second analysis, however, the categories were predetermined and developed from the research questions: (a) why the group was organized, (b) what motivated members to join the group, and (c) what sustained group membership and continuity. Once those were established, the analysis followed the same pattern as the first with participants' narratives being pulled apart and descriptions of same phenomena regrouped according to the categories outlined above. Surface content analysis of the categories yielded the codes in a first iteration of the data. The first iteration also identified that one of the categories, (c) what sustained group membership and continuity, contained two distinct and separate sets of codes. When those codes were separated into their own categories, the second and third iterations of the data yielded the same patterns and themes identified through the first data analysis. The themes identified were: the *Political/Budgetary Environment*, members' *Motivation*, potential *Benefits of Membership*, and the group's *Leadership*.

Of the themes identified through analysis of the VBHEC participant interviews, the political and economic environment dominated most participants' narratives. Each spoke at length about their political experiences and described their perception of the political and economic climate during the early 1990s and leading up to the founding of the VBHEC. Participants used such phrases as "deteriorating [political] environment" and "fiscal crisis" to describe the climate in which initial discussions surrounding the founding of the VBHEC took place. Many expressed a belief that the political culture was also undergoing a shift towards increased regionalism. Participants believed that

legislators were increasingly making decisions based upon their constituent base, not on the needs of the state as a whole and to the detriment of the state's colleges and universities.

Another theme that was identified was participants' motivation for founding the VBHEC and participating in the group. The participants from the business community spoke of deeply held beliefs about the power of education, both as a social good and as a component of a healthy state economy. Additionally, participants believed it necessary to address the state's appropriations to higher education as a whole rather than on an institutional basis. Only then could they show the state's lack of investment in higher education, a position counter to their own belief in the need to invest in higher education for the benefit of the state as a whole.

A third theme, members' perceived benefits for participation in the VBHEC, was identified from members' responses to questions asked about their motivation to join the group and sustain their membership. This theme is considered to exert less influence than the others as it only arose in response to second or third questions asked about why members chose to join the VBHEC and continue their participation in the group. Most participants noted that their participation was primarily driven by their beliefs in education and the need to invest in education for the benefit of all the state's citizens rather than the desire to receive either tangible or intangible benefits for their participation.

The final theme of leadership arose in response to questions about the group's future and what circumstances or events might cause the group to disband. Participants noted that the leadership of the VBHEC is central to the group's continuity and stability.

Several participants believed that the loss of the group's leadership would result in the group's demise.

While it is important to understand the themes that emerged from the data, their relevance and significance are only established through a review of those findings in relationship to the research questions and the theories from which those questions evolved. Following is a discussion of the findings of the VBHEC case study in relationship to the theories presented by Truman (1951), Olson (1965), Salisbury (1968), Moe (1980), and Sabatier (1992).

### Research Question One: The Environment

In order to understand the formation of the VBHEC, it was important to determine why participants felt the need to organize the group at that particular moment in time. To begin each interview, VBHEC participants were asked to recollect their participation in the politics and their view of Virginia politics during their adult years. While such recollections may initially seem tangential to the research question at hand (did environmental factors play a role in the group's formation?), they helped provide the researcher with a context for understanding each participant's view of the political system in Virginia and their own history of engagement with the system. Participants' recollections also allowed the researcher to gain a sense of what each participant believed to be pivotal moments in Virginia politics. This was crucial in attempting to discern if an event or disturbance to the equilibrium of the operating environment was at the heart of the VBHEC's formation, as suggested in Truman's (1951) theory of interest group formation.

Once participants had recounted their experiences with Virginia politics, each was asked what they believed to have been the primary reason for VBHEC's formation. These responses were then compared with participants' recollections of Virginia politics, which were used to validate participant narrative given in response to the question of VBHEC's formation.

Based upon participant responses, the environment did play a crucial role in the Virginia Business Higher Education Council's formation. In response to both questions, each participant spoke at some length about the recession of the early 1990s and the effect that and the resulting budget cuts had on higher education. A variety of descriptors were used by participants to describe the decrease in allocations to higher education, with the most common being "fiscal crisis", "budget cuts" and "tuition increases." A growing sense of urgency resulted when participants realized that once state revenues were again on the increase, there was no corresponding increase in budget allocations for higher education. This flat state support was different from previous budgetary experiences where allocations were restored once state revenues had recovered.

Participants spoke of a growing sense that a "change in [political] culture" and a "deteriorating [political] environment" were underway. Several noted that there seemed to be a political culture shift underway in Virginia. These perceptions were validated in the interviews with participants of the political system. Both groups indicated that a legislature that had once been dominated by political leadership with a state-wide focus was now increasingly populated by legislators who focused on regional issues. Participants from both groups believed that the increasing regionalism was in response to the growing number of legislators who sought political office as a primary vocation.

rather than as a part-time service. Such legislators, they related, would be beholden to their own constituents and the polls and find it difficult to allow a state-wide perspective to guide their decision-making.

At a minimum, the negative and then flat trend in budget allocations for higher education the early 1990s as well as the political culture shift participants believed was underway were the impetus for discussion among a group of like-minded former board members and university presidents. Participants, especially the presidents, noted “that it became clear...that it was important to find voices [besides those of the institutions] to make the case for higher education” in Virginia.

The findings from the VBHEC case study provide additional support for Truman’s (1951) theory of interest group formation. Truman determined that interest groups arise from two related forces: (a) society’s growing complexity and (b) in response to a “disturbance” of the environment or an event that helps spur organization. VBHEC participants grounded their discussions of the group’s formation with observations of the changes to the budget allocations for higher education during the early 1990s. There was a recession during Governor Wilder’s administration (1990-1994) and that the state budget was cut by some \$2.5 billion dollars, including a cut of approximately \$500 million dollars to higher education (Jeffries, 2000). Additionally, once state revenues began to rise again, higher education did not receive corresponding increases in allocations as had occurred in previous economic cycles. The VBHEC entered the public domain in August of 1994 via a press conference, shortly after these negative changes, or disruptions, occurred.

While more difficult to quantify and verify with independent sources, the belief by VBHEC participants that a political culture shift was underway is no less important a finding than that of a disruption to the higher education budget allocations. Participants' observations on this were included in two areas of the interview narrative: (a) as they detailed their experiences in Virginia politics and provided observations on Virginia politics during their adult life, and (b) as participants described what they believed to be the key reasons why a group like the VBHEC's was needed. That the participants iterated this belief in two different areas of the interview narrative provides some validation of the finding. Further validation is provided through the political background interviews, which also produced the same finding. What is of utmost significance, however, is simply the fact that participants believed that there was a change in the political environment and that this belief sustained their membership in the interest group.

Clearly, changes in two environments, the state budgetary and political environments, played a role in the formation and maintenance of the Virginia Business Higher Education Council. This finding lends additional support to Truman's (1951) theory that "disturbances" of the operating environment precipitate an interest group's formation. In this case, the disruption to the budgetary environment clearly started participants' discussions about forming the VBHEC, while the realization that a shift in the political environment grew over time and intensified participants' belief that a group such as the VBHEC was needed.

#### Research Question Two: Understanding Participant Motivation

In addition to understanding the political and budgetary environment and participants' perception of them, it was equally important to determine the participants'



motivation for founding the VBHEC and the factors that sustained their membership in the group. VBHEC participants were asked to describe what led them to consider founding the group and what considerations led them to maintain their membership in the group. The majority of participants articulated a deeply held belief “in the value of education” as a social good that benefits the state and all citizens. In addition to the presidents, 3 out of 4 of the participants from the business sector utilized such expressions as the “power of education”, the “value of education” and the “need to invest [in education for] the state’s future” to describe their motivations for founding the VBHEC and maintaining their membership. One participant noted that “I just think [higher education] is worth fighting for.” While the business member participants did note the overall value of higher education to the state’s economy, none used language specifically identifying the need for a qualified workforce for their particular corporation or organization. Their motivations to join and sustain their membership in VBHEC derived from adherence to an ideology rather than a more concrete desire for specific outcomes.

Participants from the business community also recognized that in the VBHEC, they had an opportunity to address funding for higher education systematically rather than on an institution-by-institution basis. As one participant noted, “we concluded that if we were going to do such a thing, it needed to be a group that lobbied not for individual schools, but for higher education funding in general.” By adopting this stance, participants believed they could best demonstrate Virginia’s lack of investment in higher education, a position counter to the ideology expressed by most participants.

Finally, while most participants spoke of being motivated by firmly held beliefs and ideology, two participants from the business community did indicate that the initial successes of defeating Governor Allen's tax cut initiative and exercising some influence on the elections of 1995 did serve to sustain their interest. However, the majority of VBHEC participants related that the primary reason for their continued participation in the group was that, in spite of those early successes, "the situation [for higher education]...has not really improved – it's actually gotten worse."

The finding that the VBHEC participants' primary motivation in forming an interest group and sustaining their membership stemmed from a strong commitment to an ideology mirrors the findings of Moe (1980) and Sabatier (1992). Participants in the VBHEC study exhibited strong convictions about the value of education to society and were content to receive intangible psychological benefits (i.e., the feeling of contributing to society) in return for their participation. These are among the defining characteristics of "commitment theory" as iterated by Moe (1980) and Sabatier (1992).

### Research Question Three: Participants' Return on Investment in VBHEC Membership Member Benefits

As noted above, when participants were asked what sustained their interest and activity in the VBHEC, most indicated that the primary reason for their sustained interest stemmed from a desire to address the state's lack of investment in higher education. This desire formed but one component of an expansive philosophy that participants broadly stated as a belief in the value of education. The state's lack of investment in higher education, participants believed, was a symptom that the political leadership did not share their own, deeply held philosophy. It was VBHEC participants' commitment to a

philosophy valuing education that served as the primary motivation for participants' sustained membership.

The only indication that participants placed some value on the receipt of tangible benefits was noted in two participants' narrative relating the group's early legislative successes. They indicated that the VBHEC's success in recruiting three influential former governors to draft a letter in support of their position against the tax-cut initiative of Governor George Allen was a "high spot." However, most participants concluded their thoughts by stating that the primary reason for their continued membership in the group was due to a realization that, in spite of these early successes, the political and budgetary environments continued to deteriorate.

The majority of VBHEC participants' narratives on the motivations that led them to found the group and sustain their membership clearly detailed a strong commitment to a philosophy that valued education. Only two participants spoke of legislative successes as a motivational factor and even then those comments did not comprise the majority of those participants' narrative about their motivations for remaining active in the group. The limited participant narrative about legislative success as a motivation for interest group formation and membership does not provide enough evidence that members require the receipt of tangible benefits in return for their participation in an interest group.

This case study, therefore, did not provide sufficient evidence to draw conclusions about whether members required selective benefits in order to sustain their participation in an interest group. This is an important point since it does not support the assertion by Olson (1965) that interest group members require the receipt of benefits that are not available to non-members in return for their participation in the group. In fact,

participants indicated a desire to sustain their membership in the group in spite of the continued deterioration of the economic climate that initially drove the group's formation. This exhibits a strong commitment among participants to a philosophy grounded in the societal value of education, a hallmark of "commitment theory" as described by Moe and Sabatier, rather than a desire for the receipt of benefits.

### Leader Benefits

Further deconstruction of the study findings is necessary, however, if determinations about the relevance of Salisbury's (1969) theory to this case are to be made. Salisbury posited that not only did an interest group's membership require the receipt of selective benefits, the leaders of these groups also required enough "return" in order to sustain their leadership. Leaders required sufficient response and engagement from a group's membership in order to remain at the helm of the group, according to Salisbury.

In order to explore Salisbury's (1969) theory of benefits for interest group leaders in the context of this case study, the VBHEC's leadership needs to be identified and their interviews closely re-examined. So, who are the VBHEC's leaders? There is only one identified leader of the VBHEC, the chair of the group. However, another individual may also be categorized as a group leader, even if only informally. He is a university president and was among the first to engage former board members in discussions about the deteriorating economic environment and the impact that had on higher education. He also participated in the informal meetings preceding the group's formation. An important indication of his leadership status comes from the participants themselves – 6 of 8 VBHEC participants in the case study indicated that this individual needed to be included

in the study in order to gain a complete sense of VBHEC's history and reason for organization. Participant narrative also frequently noted this individual's central role in the group's formation and how his influence continues to shape the group. Confirmation also comes from the background interviews with political participants who noted the instrumental role this individual played and even continues to play in sustaining the group's energy.

The narrative provided by these two participants yields important data about their motivation to found the VBHEC and maintain their roles in the group. Primary among those was a realization that the political and budgetary environments were shifting in a way that was not favorable to higher education. Each spoke at some length of the economic crises colleges and universities weathered during the 1990s: the budget cuts, the resulting tuition increases, and finally of the flat state support that they believed was driven by a shift in the political culture. Each narrative also revealed a deep commitment to an ideology that values the role education plays in the life of a healthy society. There was no language used by either participant to indicate that they received any benefit in return for their role in the group or that they desired the receipt of benefits to continue their participation. On the contrary, the chair noted that his continued participation was primarily due to the fact that the ability to secure adequate funding for higher education had only become more difficult in recent years.

These findings do not provide support for Salisbury's (1969) theory that interest group leaders require the receipt of benefits from the group's membership in return for continuing their leadership role. Rather, they indicate that interest group leaders, just like their membership, can be primarily motivated to join a group and serve in a leadership

role if they exhibit a deep commitment to a philosophy or ideology as described in commitment theory (Moe, 1980; Sabatier, 1992).

### The Issue of Leadership

Salisbury (1969) addressed interest group leadership from the perspective of what is required to sustain a leader's engagement in the group. However there is no literature that examines the importance of an interest group's leadership from the perspective of the membership and not from the leaders'. The VBHEC case study found that leadership was an important variable in the maintenance of this particular interest group and was identified by the group's membership (outside the leadership). This finding was strong enough to emerge from the data even though none of the interview questions (directly or indirectly) asked participants to speak to the issue of the group's leadership or its relationship to the group's stability. Yet, of the eight VBHEC participants, five discussed the importance of the group's leadership and directly linked it to the group's continuity. These participants indicated that the group's leadership was crucial to the stability and future of the VBHEC, noting that the group's chair is "the engine that has driven this council."

One way this finding might be examined is through the lens of leadership theory. As Kotter and Heskett (1992) noted, "leadership is a change oriented process of visioning, networking, and building relationships." All of these are at the heart of interest group activity and exemplify the kinds of activities that a leader of such a group might undertake. The theory of political leadership as iterated by Bolman and Deal (1997) provides a relevant lens for examining the leadership finding of this case study. According to Bolman and Deal, political leadership embodies four characteristics: (a)

political leaders are realists, they know what they can get versus what they want; (b) they know the political terrain – who the players are and where the centers of power are; (c) they can build relationships and networks; and (d) they persuade first, negotiate second, and coerce only when necessary.

Closer examination of the group's chair and its informal leader, the college president, reveals that these two individuals were quite adept at maneuvering within the political system. Both exhibited a deep understanding of the state's legislative system, stemming from a long history of engagement in Virginia politics. In the case of the group's chair, this extended back into the late 1950's, the height of the Byrd Organization's dominance in Virginia politics. The Byrd Organization's dominance was primarily exerted through the state's judicial system (Wilkinson, 1968). As a young lawyer, the chair maneuvered those courthouse relationships in his work life, becoming formally engaged in the political system when he participated in a political campaign. He also witnessed Virginia cast off the vestiges of the Byrd-era style politics and move to a full two-party system later in the 20<sup>th</sup> century. The university president served as an advisor in a Democratic governor's administration and later, as a president, remained active in the political process in order to secure adequate funding for his institution. These experiences over an extended period of time allowed each to develop relationships with legislators and others who "inhabited" the state capitol; individuals who would eventually become some of the most powerful players in Virginia politics. Some of those included chairs of the finance committees, top advisors in various administrations, and appointees to a blue ribbon commission on Virginia higher education.

Each also understood the difference between what they wanted for Virginia higher education and what was achievable. The combination of extensive political experience and a viable network of political relationships allowed them to quickly assess how best to present the VBHEC platform and to whom. Evidence of their ability to navigate the political process successfully is in the VBHEC's early political successes, including the defeat Governor George Allen's tax-cut initiative and playing a favorable role in the legislative elections of 1995. As one leader noted, it was always clear to him that simply because the VBHEC was pressing the case for higher education funding, it was still no guarantee of increased funding for the state's colleges and universities. Instead, his goal was to "ameliorate the worst of the [political and budgetary] decisions coming out of [the state capitol]."

Clearly, both individuals exhibited the characteristics Bolman and Deal (1997) attribute to successful political leadership. However, there are other components of leadership that are still left unanswered by this examination. For example, how important is it for interest group leaders to build a shared sense of destiny as well as the vision needed to engage others and inspire membership (Kouzes and Posner, 1995)? Is a critical degree or level of leadership required to attract and sustain member interest? Is leadership more or less critical for interest groups whose members are not driven by a deep commitment to a particular ideology? Unfortunately, even though this case study provides evidence that leadership is an important component of interest group sustainability, it does not provide enough data to understand the complex relationship between leadership and the maintenance of member interest. Further research is needed to better understand the role leadership plays in the life of an interest group and the



impact lack of leadership or a depth of leadership may have on an interest group's sustainability.

### **Implications for Higher Education**

The focus of the VBHEC case study has been to gain greater insight to the formation of a state-level higher education interest group: why did the group form and why at that particular point in time? These are important questions to understand as funding for public higher education continues to face significant challenges in response to the renewed fiscal crises many states are currently experiencing. Interest groups such as the VBHEC are an important mechanism through which higher education can better articulate its role in the social and economic vitality of a state to lawmakers in charge of allocating state funds. Following is a discussion of the most important findings of the case study and what they mean for higher education.

### **The Environment Plays a Crucial Role**

The importance of the environment, or more specifically a disruption to the environment, cannot be understated. The VBHEC case study identified that actually two disruptions occurred that spurred the group's formation, one in the state's allocations to higher education, the budgetary environment, and one in the political environment. The disruption to higher education budget allocations was severe enough that it caused participants to undertake forming an interest group. Changes in the political environment provided added impetus for the group's formation but there is no clear evidence, based solely upon participants' narratives, that the disruption of both environments was required for the group's formation. It is plausible that the group might have lost momentum and disbanded after the early legislative successes (defeat of Governor

Allen's tax-cut initiative, the legislative elections of 1995) had it not been for the growing perception among VBHEC members that the dominant political culture in the state capitol did not ascribe to the group's own deeply held belief in the value of higher education. If the VBHEC did form solely in response to the disruption in higher education allocations, two questions remain: (a) why was the group not able to secure increased allocations once the state's revenues improved, ably responding to the disruption that prompted their formation? and (b), was something occurring in the political environment that led the group's leaders to conclude that they needed a group like the VBHEC more than ever?

### The Importance of Leadership

Analysis of the VBHEC case study data determined that leadership played a central role in the group's sustainability. VBHEC participants indicated that the group's current and future viability rested with the chair of the group and feared his departure would signal the demise of the VBHEC. However, close examination of participants' narratives reveals that the group's leadership extended beyond its formally designated chair to include an informal leadership structure, a university president who may be considered an *ex officio* leader of the group. Analysis of the group's formal and informal leadership, through Bolman's and Deal's (1997) criteria for political leadership, reveals that the VBHEC leadership is politically astute, even exceptionally so. It can be inferred from this analysis, especially in the context of the other findings, that the group's leaders not only recognized that a shift in the political culture was underway, but that they also understood that this meant the previous routes to exerting influence in the budgetary process were no longer viable. Evidence of this was provided them when state revenues

began to rise but allocations to higher education remained flat. Given these circumstances, those who would become the VBHEC's leaders clearly recognized that a new approach to influencing the budget process would be required, one that was realized in the form of the Virginia Business Higher Education Council.

This determination lends greater weight to the disruption that occurred in the political environment. While participants' narratives clearly link the formation of the VBHEC to the decrease in budget allocations during the early 1990s, it is reasonable to conclude that the participants, either individually or collectively, would have been able to respond effectively to such a disruption, much as they had in the past. Yet the continued flat state support for higher education once revenues began to rise again was perhaps the most troubling aspect for the group's leaders as they surveyed the state budgetary environment. It was the astute political insight of the group's leadership that led them to the recognition that a shift in the political environment had occurred and no longer allowed higher education the same access to and influence on the budgetary process. They felt it would be necessary, therefore, to develop a new mechanism through which to exert political influence over the state budgetary process.

While it is clear that leadership played a critical role in the formation of the Virginia Business Higher Education Council, a deep understanding of the role leadership occupies in interest group formation and continuity cannot be gained from the findings of this case study. Further research on the role of leadership in interest group formation needs to be conducted, especially from the perspective of the membership rather than from the perspective of what motivates a leader to take the helm of an interest group as Salisbury (1969) does. For example, must interest group leaders build a shared sense of

destiny as well as provide an alternative vision in order to attract and sustain group membership? How critical is leadership to an interest group whose members are not primarily motivated by a deep commitment to an ideology or a philosophy? Is there a critical degree of leadership required to form an interest group and sustain its membership? And finally, how important is it that interest group leaders are politically astute?

Unfortunately, the findings of this case study did not provide clear answers to those questions. The findings illuminated the role of leadership in this interest group's formation but did not provide any insights on which to base further deductions about the extent or depth the role of leadership plays in an interest group's formation. In spite of this determination, it would be premature to underestimate the importance of having the right individual(s) take the lead in forming a higher education interest group. As one participant noted, selection of the VBHEC chair was critical since founding members knew they required someone who would "have the stature and the strength of his convictions to make the case and not mince words and really stick with this 'til we see some results."

### Environment, Leadership and the Commitment of Individuals

In addition to a disruption of the environment and the need for capable leadership, higher education interest group formation requires the commitment of individuals to a philosophy, in this case in the value of education. The commitment to a philosophy or ideology is great enough that it sustains members' interest over time and overrides the basic human desire to receive something in return for someone's effort. The key is to

identify individuals who hold these views and bring them together in a critical mass of sorts.

In the case of the VBHEC, a few key individuals took notice of the disruption to the political and economic environment and engaged each other in a discussion of what might possibly be done to protect funding for higher education. Each exhibited a strong commitment to the value of higher education and enlisted the assistance of others they knew to be of like mind. Once these individuals gathered together in Richmond to examine the political and economic environment and agreed that changes occurring in those would have a negative impact on higher education funding, the group's formation was no longer in doubt. Rather, after that meeting in Richmond during the summer of 1993, the group quickly selected a leader and additional members in the following months and officially entered the public domain via a press announcement in August of 1994.

A vital component of VBHEC's formation centered on a few key individuals who recognized the environmental changes underway taking the initiative to reach out to like-minded professional and social contacts and enlist their assistance. This raises the issue of the importance of the group's leadership: just how crucial to the group's formation was it?

### Conclusions

In summary, the findings of the VBHEC case study provide additional support for Truman's (1951) theory that interest groups form when disturbances in the operating environment occur as well as the theories of Moe (1980) and Sabatier (1992) that a group's sustainability can be attributed to members' deep commitment to a shared

ideology or philosophy. In the case of the VBHEC, negative changes in allocations for higher education and the political environment led participants to undertake discussions that led directly to the group's formation. VBHEC participants, both business members and university presidents, also exhibited deep commitment to the value of education. Evidence of this was provided by participants' narrative as well as their previous engagement in higher education through service on college and university governing boards or in university administration.

A third finding, that leadership also plays a role in a group's sustainability, did not provide evidence to support Salisbury's assertion that an interest group's leaders required benefits in return for taking on a leadership role. The case study did, however, provide strong evidence of the important role an interest group's leadership plays in sustaining member interest and participation. Participants indicated that the viability of the VBHEC rested primarily in the continued leadership of the group's chair while analysis of the group's formal and informal leadership provided evidence that having politically astute leadership attuned to changes in the political environment also facilitated the group's formation. While these are important findings, they unfortunately do not provide enough data from which to make assumptions or generalizations about the role of leadership in interest group formation. This case study provided no data, for example, to increase understanding of such issues as what role a leader's charisma or force of personality plays on organizing and sustaining interest group membership. Further research of leadership roles during an interest group's formation period are required, especially studies that provide insight to interest group leadership from the perspective of a group's membership. Past research, notably Salisbury's (1969) work has focused on what leaders

require to continue in their leadership roles. Studies that (a) focus on what qualities of leadership group members find necessary for a group's formation, (b) the degree in which these qualities must be present to attract and maintain a group's membership, and (c) to what extent leadership plays a role in groups that do not share a strong commitment to a shared philosophy or ideology, are perhaps the most relevant and useful course for future research on interest group formation.

Additional depth to the literature on interest group formation may also be provided by conducting comparison studies of interest groups operating in different states. For example, are environmental disruptions required in all cases of higher education interest group formation? Is a disruption of more than one environment required to spur an interest group's formation or to sustain its membership? Do other interests require a disruption to the environment to spur formation? What kinds of environmental disruptions most often lead to interest group formation (i.e., the economic environment or political environment)?

Finally, a follow-up survey of the interest group's entire membership (conducted after initial participant interviews) should be considered if this study is to be replicated in the future. In particular, a follow-up survey should attempt to provide further data about the initial findings developed through the participant interviews. In this case study, for example, a survey addressing the issue of the VBHEC's leadership would not only have provided further insight to member perceptions of the importance of the group's leadership to the VBHEC's formation and sustainability, but also help determine what leadership characteristics appeal to members and persuade them to seek membership in the group.

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